

## ATTACHMENT A

### SERVICE QUALITY STANDARDS

- General

#### A. Provisions

The following standards shall apply to every electric and gas distribution company authorized to do business in the Commonwealth of Massachusetts, unless otherwise indicated. In case of a conflict between these standards and any orders or regulations of the Department, said orders and regulations shall govern.

- Definitions

"Billing Adjustment" shall mean a revenue adjustment amount resulting from Departmental intervention in a company-customer billing dispute.

"Complaint" shall mean a formal complaint to the Consumer Division of the DTE wherein the Department creates a systems record with a customers' name and address.

"Circuit" shall mean a conductor or system of conductors through which an electric current is intended to flow.

"Class I odor call" shall mean those calls that relate to a strong odor of gas throughout a household or outdoor area, or a severe odor from a particular area. See, Eastern-Essex Acquisition, D.T.E. 98-27 (1998) and Boston Gas Company, D.P.U. 96-50 (Phase I) 1996.

"Class II odor call" shall mean calls involving an occasional or slight odor at an appliance. See, Eastern-Essex Acquisition, D.T.E. 98-27 (1998) and Boston Gas Company, D.P.U. 96-50 (Phase I) 1996.

"Electric distribution" shall mean the delivery of electricity over lines which operate at a voltage level typically equal to or greater than 110 volts and less than 69,000 volts to an end-use customer within the Commonwealth.

"Electric distribution facility" shall mean plant or equipment used for the distribution of electricity that is not a Transportation Facility, a cogeneration facility, or a small power production facility.

"Electric distribution feeder" shall mean a distribution facility circuit conductor between the service equipment, the source of a separately derived system, or other power supply source and the final branch-circuit overcurrent device.

"Electric distribution service" shall mean the delivery of electricity to the customer by the electric distribution company over lines that operate at a voltage level typically equal to or greater than 110 volts and less than 69,000 volts.

"Emergency Call" shall mean a telephone call where the caller believes that he or she is confronting special circumstances that might lead to bodily and/or system-related damage if the circumstances remain unaddressed. Examples include downed wires, gas leaks, gas odor reports, etc.

"Excludable Major Event" shall mean a major outage event that meets either of the three following criteria: (i) the event is caused by earthquake, fire, or storm of sufficient intensity to give rise to a state of emergency being proclaimed by the Governor (as provided under Massachusetts Civil Defense Act); (ii) any other event not in (i) that causes unplanned interruption of service to 15 percent or more of the company's customers; or (iii) the event was a result of the failure of another utility's transmission or power supply system. Notwithstanding the criteria described in the preceding sentence, an extreme temperature condition (unless the ambient temperature exceeds the design limitations of the system, such as limitations noted in ANSI/IEEE 57.96-1989) would not be considered an excludable major event.

"Lost Work-Time Accident Rate" shall mean the Incidence Rate of Lost-Work Time Injuries and Illness per 200,000 Employee Hours as these capitalized terms are defined by the U.S. Department of Labor Bureau of Labor Statistics.

"Meter Reading" shall mean the act of manually or automatically acquiring customers' specific usage levels of an energy resource, expressed in numerical units, for a defined period by actually consulting the customer's meter.

"Momentary Average Interruption Frequency Index" or "MAIFI" shall mean the total number of momentary customer interruptions divided by the total number of customers, expressed as momentary interruptions per customer per year. MAIFI characterizes the average number of momentary electric service interruptions for each customer during the time period. All MAIFI data shall be reported on a system-wide basis.

"Momentary Outage" or "Momentary Interruption" shall mean an outage or interruption of electric service which is less time than 5 minutes.

"Non-emergency Call" shall mean all telephone calls other than emergency calls.

"Planned Outage" shall mean an outage, which the utility schedules and of which customers are notified in advance, in order, for example, to connect new customers or perform maintenance activities safely.

"Poor Performing Circuit" shall mean any distribution feeder that:

- (i) has sustained a circuit SAIDI or SAIFI value for a reporting year which is among the highest (worst) ten% of that utility's feeders for any two consecutive reporting years; or
- (ii) has sustained a circuit SAIDI or SAIFI value for a reporting year that is more than 300% greater than the system average of all feeders in any two consecutive reporting years.

"Service Appointment" shall mean a mutual agreement, that is or ought to be, recorded in the company's business records in the ordinary course of business, as to date, time, and location where Company personnel are to perform a service activity as mutually agreed upon by the Company and service recipient.

"System Average Interruption Duration Index" or "SAIDI" shall mean the total minutes of sustained customer interruption durations divided by the total number of customers, expressed in minutes per year. SAIDI characterizes the average length of time customers are without electric service during the time period.

"System Average Interruption Frequency Index" or "SAIFI" shall mean the total number of sustained customer interruptions divided by the total number of customers, expressed in interruptions per customer per year. SAIFI characterizes the average number of sustained electric service interruptions for each customer during the time period.

"Sustained Outage" or "Sustained Interruption" shall mean an outage or interruption of electric service that lasts at least five minutes and is not classified as a momentary outage.

"Year" shall mean calendar year unless otherwise noted.

### C. Benchmarking

The historical average and standard deviation for benchmarking will be based on ten years worth of data. This will be a fixed average for the duration of the PBR. Where ten years worth of information are not available to a Company, the company is directed to use the maximum number of years of data available, so long as two years are available. As the company collect additional data, that data will be included in benchmarking until ten years worth of data is collected.

## II. CUSTOMER SERVICE AND BILLING

### A. Telephone Answering

Each company shall gather data and report statistics on its telephone answering service. Call data shall be compiled and aggregated monthly. Reporting shall occur annually. Each company shall report the percentage of telephone calls that are answered by a human voice by the company's employee, contractor, or agent (and not by a recorded message) within 20 seconds. Each company shall also provide separate percentage figures for emergency calls (outages, leaks, downed wires) and non-emergency calls.

Telephone Answering shall be a service quality measure that shall carry a revenue penalty.

### B. Service Appointments

Each company shall gather data and report statistics regarding the number of service calls met on the same day requested, excluding when a customer misses a mutually-agreed upon time. Each company shall report the percentage of scheduled service appointments met by company personnel on the same day requested. Service appointment data shall be compiled and aggregated monthly. Reporting shall occur annually. Service appointment performance shall carry a revenue penalty.

### C. On-Cycle Meter Readings

Each company shall gather data and report statistics for the percentage of meters that are actually read by the company, monthly. Each company shall report the percentage of customer meters actually read on a monthly basis. Eligible meters include both residential

and commercial accounts. Meter reading data shall be compiled and aggregated monthly. Reporting shall occur annually. On-cycle meter reading performance shall carry a revenue penalty.

### III. CUSTOMER SATISFACTION

#### A. Consumer Data from the Department

Consumer complaint data and billing adjustment data shall be employed as service quality measures. The Department will compile and aggregate monthly the frequency of Consumer complaints. The Department also will compile and aggregate monthly the dollar amounts of Billing Adjustments. The Department will report data on both of these measures annually. The Department will offer company-specific meetings to discuss each company's performance annually. Revenue penalties shall apply to each of these measures.

#### B. Consumer Surveys

Each company shall provide the results of two surveys to the Department on an annual basis: (1) a customer satisfaction survey of a statistically representative sample of residential customers; and (2) a survey of customer satisfaction with each utilities' customer service facilities. No revenue penalties apply to these service quality measures. Each survey shall be conducted by an independent survey firm. For the customer satisfaction survey, the following question shall be used: "Using a scale where 1 = very dissatisfied and 7 = very satisfied; how satisfied are you with the service you are receiving from Company name?" For the second survey, the following item shall be employed "Using a scale where 1 = very dissatisfied and 7 = very satisfied; how satisfied were you with the service you just received from the customer service department of Company Name?" In the case of the latter survey, a random sample of customers (randomly selected over time and customers) who have phoned a Company's Customer Service line(s) shall be surveyed. No benchmarks shall be calculated for these survey measures, since a penalty mechanism has not been assigned to these measures. The companies, however, must report survey results to the Department on an annual basis and also must include in annual reports the results from the previous years of the survey or the maximum number of years available up to and including ten.

#### IV. Staffing Level Benchmarking

Staffing benchmarks will be established on a company-specific basis and will be determined by the then in-force collective bargaining agreement for each Company.

#### V. Assumptions for Calculating Electric Reliability Measures

For the purpose of calculating SAIDI, SAIFI, and MAIFI, the following assumptions and criteria are to be used in accumulating outage data for standardizing reliability measurements:

A. Planned outages shall not be considered an outage in the calculation of SAIDI, SAIFI, or MAIFI.

B. Excludable Major Events shall be excluded from the calculation of SAIDI, SAIFI, and MAIFI.

C. The beginning of an outage shall be recorded at the earlier of an automatic alarm or the first report of no power.

D. The end of an outage shall be recorded as when customers have power restored.

E. Outages involving a primary distribution circuit shall be included in the calculation of SAIDI, SAIFI, and MAIFI. Outages which do not involve a primary distribution circuit (i.e., secondary, line transformer only or service only) shall not be included in the standardized indices.

F. Where only part of a circuit experiences an outage, the number of customers affected shall be estimated, unless an actual count is available. When power is partially restored, the number of customers restored shall also be estimated.

G. When customers lose power as a result of the process of restoring power (such as from switching operations and fault isolation), the duration of these additional outages shall be included, but the additional number of interruptions shall not be included in the calculation.

## VI. Calculating Reliability and Safety Performance Standards and Benchmarks

### A. Electric Reliability

Performance standards shall be established for SAIDI. If the electric company exceeds the ten-year average plus two standard deviations in any year, then the Department will conduct an investigation as to the reasons for the company's poor reliability performance.

### B. Gas Safety Performance



Each gas company shall respond to 95 percent of all Class I and Class II odor calls in one hour or less. A revenue penalty shall be assessed if the company does not meet this standard.

#### C. Electric and Gas Safety Performance

Performance standards shall be established for Lost Work-Time Accident Rate. The same method in the Section VI.A, above, shall apply for calculating Lost Work-Time Accident Rate standards and benchmarks.

### VII. REVENUE PENALTIES

#### A. Applicability

The revenue penalty for the SQ measures set forth in Sections II, III, and VI, above, will be determined as set forth below. If a company's annual performance falls within one standard deviation from the benchmark, no revenue penalty will be imposed.

#### B. Penalty Formula

The revenue penalty formula shall be:

$$\text{Penalty}_M = [0.25 \frac{\text{Observed Result} - \text{Historical Average Result}}{\text{Standard Deviation}}]^2 * \text{maximum penalty}$$

Standard Deviation

Where:

Penalty<sub>M</sub> = revenue penalty applied to SQ measure M;

Observed Result = the average actual performance measure achieved in year<sub>y</sub>;

Historical Average Result = the average historical actual result, based on an arithmetic average of the previous year<sub>y</sub>, rounded to two decimal places;

Standard Deviation = standard deviation of the historical average result; and

Maximum Penalty = the maximum penalty level established for service standard M.

#### C. Apportionment of Penalty Among SQ Measures

*The Department solicits additional comments as to how the SQ penalties should be apportioned among the various SQ measures adopted, including the relative weight that should be afforded to each SQ measure which carries a revenue penalty.*

#### D. Individual Customer Protection Credits

*In addition to company-wide penalties, the Department solicits comments on the use of customer-targeted penalty mechanisms, in which customers affected by specific service failures would receive direct reimbursement by a company. The Department seeks comment on the propriety of individual customer protection credits, including the circumstances under which a credit would be applied, the credit amount, and the reimbursement method.*

## VIII. Reporting Reliability and Safety Measurements and Submitting Data to the Department

### A. Reporting Reliability and Safety Indices and Rates

Each company shall report on an annual basis SAIDI, SAIFI, MAIFI, Lost Work Time Accident rate, and percentage of all Class I and Class II odor calls responded in one hour or less. SAIDI shall be reported in terms of minutes and shall be measured and reported to the nearest 100<sup>th</sup> of a minute. SAIFI and MAIFI shall be reported to the nearest 1000<sup>th</sup> of a reported outage. The Lost Work Time Accident Rate shall be reported to the nearest 100<sup>th</sup> of an accident. The Class I and Class II odor calls shall be reported to the nearest 10<sup>th</sup> of a percentage point. These reports shall be submitted in accordance with Section IX below.

### B. Reporting Past Reliability and Safety Performance Data

Each company shall report Lost Work Time Accident rate data from the past five years (1996 - 2000) adjusted in accordance with these standards. Each electric company shall report SAIDI data from the past five years (1996 - 2000) adjusted in accordance with these standards. The data shall be provided in the each company's first annual report submitted in accordance with Section IX below.

Each electric company shall also report and use their best efforts to standardize historical data over the last 10 years to the reliability measures (SAIDI, SAIFI, and MAIFI) in these

standards, and provide that information with each annual report. Each company's first annual report should describe limitations in data that affect standardization, and provide their best estimate of the statistical error inherent in the standardized indices.

### C. Reporting Benchmarks

Each company shall report on an annual basis the Lost Work Time Accident rate performance standard and benchmark that was determined in accordance with Section VI, above. Each electric company shall report on an annual basis the SAIDI performance standard and benchmark that was determined in accordance with Section VI, above.

Each company shall provide the supporting calculations that were used in determining the standard and benchmark values. SAIDI shall be reported in terms of minutes and shall be measured and reported to the nearest 100<sup>th</sup> of a minute. The Lost Work Time Accident Rate shall be reported to the nearest 100<sup>th</sup> of an accident. The reports shall be submitted in accordance with Section IX below.

### D. Reporting Annual Major Outage Events

Each electric company shall identify and report on an annual basis the ten largest outage events, and indicate whether any of them were excluded from the reported indices. For each major event excludable under the standard above, the company shall report the total number of customers affected, the number of customers without service at periodic intervals, the longest customer interruption, and the number of people used to restore service.

These reports shall be submitted in accordance with Section IX, below.

#### E. Reporting Capital Expenditure Information

Each company shall report on an annual basis the capital investment approved and capital investment completed in the company's transmission and distribution infrastructure to ensure delivery of reliable electricity and gas. This report shall include a list of the projects that the company expended over \$[500,000] in capital expenditures with a description of each project. The description shall include a list and location of each transmission and distribution facility that was modified, upgraded, replaced, and/or constructed as well as the costs and scope of work involved in the facility modification, upgrade, replacement, and/or construction.

Each company shall report the same capital expenditure data from the past three years (1998 - 2000) in the same fashion as in the previous paragraph. The data shall be provided in each company's first annual report.

The reports shall be submitted in accordance with Section IX below.

#### F. Reporting Spares and Acquisition Inventory Policy and Practice

Each company shall report on an annual basis its policy for identifying, acquiring, and stocking critical spare components for its distribution and transmission system. The company's first annual report shall address how this policy has changed or evolved over the past 10 years.

The reports shall be submitted in accordance with Section IX below.

#### G. Reporting of Poor Performing Circuits

Each company shall identify and report on an annual basis its poor performing circuits. The report on these poor performing circuits shall include the following information:

(1) the feeder or circuit identification number;

- the feeder or circuit location;
- the reason(s) why the circuits performed poorly during the reporting year;
- the number of years that the circuit(s) performed poorly;
- the steps that are being considered and/or have been implemented to improve the reliability of these circuits; and
- the SAIDI or SAIFI value for the specific circuit(s).

The reports shall be submitted in accordance with Section IX below.

#### G. Reporting Electric Service Outages

Each electric company shall continue to report the distribution and transmission outages consistent with the Department's Outage and Accident Reporting Procedures. These standards supersede previous Outage and Accident Reporting Procedures.

Each electric company shall report every *[sustained]* distribution and transmission outage that occurs within or impacts their service territory. Each electric company shall report to the Department, within a *[one]*-hour period from the beginning of the outage, every outage that results in 5,000 or more customer outage hours or that results in a service interruption to a high profile customer. (If necessary, these reports can be revised to

reflect updated information about the outage.) All other outages shall be reported to the Department within a 24-hour period from the beginning of the outage.

These reports shall include the following information:

- date of the outage;
  - location of the outage (by providing town and street(s) location);
  - nature or cause of the outage;
  - number of customers affected;
  - time outage commenced and time service was/will be restored;
  - duration of the outage;
  - number of customer outage hours;
  - feeder or circuit number;
  - district or division where outage occurred;
  - identification of overhead or underground line where fault or outage occurred; and
  - the name and telephone number of a utility employee who may be contacted about the outage.

These reports shall be submitted in accordance with Section X below.

#### H. Reporting Other Safety Performance Measures

To comply with G.L. c. 164 § 95, each company shall report the following:

- time and date of incident;
- time and date of the notice to the Department;
- location of the incident;
- a detailed description of the accident including information about fatalities, injuries, facilities and third-party property damage; and
- the name and telephone number of a utility employee who may be contacted about the accident.

These standards supercede previous Outage and Accident Reporting Procedures.

These reports shall be submitted in accordance with Section X.

#### IX. Submitting Annual Reliability and Safety Measurements and Data to the Department

The annual reports described previously shall be submitted to the Department by March 1 of each year reflecting the data from the previous year(s) and shall be submitted in the following manner:

- the original to Mary L. Cottrell, Secretary, Department of Telecommunications and Energy, One South Station, Boston, Massachusetts 02110;
- one copy to the Electric Power Division Director, Department of Telecommunications and Energy, One South Station, Boston, Massachusetts 02110;
- a second copy of the report to the Consumer Division Director, Department of Telecommunications and Energy, One South Station, Boston Massachusetts 02110; and
- an electronic copy of the report to the Department, by one of two means:



- (a) e-mail attachment to [Kimberly.Tran]@DPU.state.ma.us, using a WordPerfect-compatible format, naming the document with a ".wpd" suffix and identifying in the e-mail the report and the data included in the document, or
- (b) on a 3.5" floppy diskette, IBM-compatible format, using a file format compatible with either Word Perfect 8.0, for textual responses, or with Microsoft Excel 5.0 for data/spreadsheet responses.

#### X. Submitting Outage and Other Safety Performance Measure (Accident) Reports to the Department

The reports required by these Standards shall be submitted to the Department in the following manner:

- one copy of the report by e-mail attachment to [Kimberly.Tran]@DPU.state.ma.us, using a WordPerfect-compatible format, naming the document with a ".wpd" suffix and identifying in the e-mail the report and the data included in the document; and,
- one copy of the report submitted to the Consumer Division Director, Department of Telecommunications and Energy, One South Station, Boston Massachusetts 02110 *[Report format to be determined]*.

#### XI. Service Quality Customer Complaint/Dispute Resolution

The following procedures apply if a customer complains about any matter relating to the service quality and outages, or the company's compliance with G.L. c. 164 § 1E:

- The customer shall notify the company of the complaint by telephone, mail or in person. The company shall refer this matter to an employee assigned to investigate service quality complaints. Such employee shall investigate and make a good-faith effort to resolve the customer's complaint.
- The customer shall be notified in writing as to the resolution of the complaint and the company shall keep a record of said correspondence for three years.

Such notice shall also include the following statement: "If you are not satisfied with our investigation or still having service quality difficulties, you may dispute the matter by writing to the Department of Telecommunications and Energy (DTE), Consumer Division, One South Station, Boston, MA 02110, or by calling 1-800-392-6066 or 1-617-727-3531." Also, a notice of similar nature shall appear on the back side of each customer's bill.

- If the customer disputes the company's written notice of decision, the customer shall notify the Department's Consumer Division that he/she wishes the Department's intercession. A representative of the Department will notify the company and thereafter conduct an investigation. Such investigation shall include an opportunity for each side in the dispute to be heard and may include a pre-hearing conference. Such hearing shall not be construed to be an "adjudicatory proceeding" as defined by G.L. c. 30A.
- The Department representative will advise promptly upon the matter and notify the customer and company of his/her decision and of the right, if dissatisfied, to request an adjudicatory proceeding as defined by G.L. c. 30A.
- Within seven days of being notified of the advice of the Department's representative (rendered in accordance with XI.(C) and (D) immediately preceding) the customer or the company may request a hearing under G.L. c. 30A.

## XII. General Reservation

The Department retains the discretion to waive or depart from any provision of regulation as the interests of fairness may require.